

November 6, 2023

VIA E-MAIL

William Montejo, Director
Maine Dept. of Health & Human Services
Licensing and Certification
11 State House Station
41 Anthony Avenue
Augusta, ME 04333-0011

Richard S. Lawrence
Senior Health Care Financial Analyst
Maine Dept. of Health & Human Services
Licensing and Certification
11 State House Station
41 Anthony Avenue
Augusta, ME 04333-0011

RE: Certificate of Need: Letter of Intent of Encompass Healthcare for New Inpatient Rehabilitation Hospital

Dear Bill and Rich:

On behalf of Encompass Health Corporation (“Encompass”) we file this Letter of Intent (“LOI”) and request a ruling from the Department regarding the applicability of the Certificate of Need Act (the “Act”) to a proposed project to build and operate a new 50-bed inpatient rehabilitation hospital be located at 1017 Union Street in Bangor. Complementing local acute care services, the proposed hospital will serve patients recovering from debilitating illnesses and injuries, including strokes and other neurological disorders, brain injuries, spinal cord injuries, amputations, and complex orthopedic conditions. In addition to 24-hour nursing care, the proposed hospital will offer physical, occupational, and speech therapies to restore functional ability and quality of life. Care will be provided by highly specialized nurses, therapists, and physicians.

Encompass is the nation’s largest owner and operator of inpatient rehabilitation hospitals with 159 hospitals in 37 states and Puerto Rico. In Maine, Encompass partners with MaineHealth, owning and operating the New England Rehabilitation Hospital in Portland. Encompass hospitals are accredited by The Joint Commission, and most hospitals also maintain disease-specific certifications in cardiac, stroke, or hip fractures. Additionally, Encompass is ranked as one of Fortune’s 100 Best Companies to Work For and Modern Healthcare’s Best Places to Work in Healthcare.

Encompass believes this project is subject to review under the Act, 22 M.R.S. § 329 as it will involve creating both a new service and a new healthcare facility – an inpatient rehabilitation hospital – that will have both capital expenditures exceeding the current review

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threshold of \$13.919MM and third-year incremental operating costs above the current threshold of \$1.392MM. The current budget estimate for facility construction and build out is \$61.4MM.

Encompass respectfully requests the Department issue a response letter confirming that the proposed project is subject to review and advising regarding next steps to formally begin the CON review process. We request that you work with us to schedule a Technical Assistance Meeting ("TAM") where you can share the specific elements you will be looking for in the CON Application. In this regard, we thank you for our highly informative May 23 informational meeting in which you shared considerable background on the process with Encompass representatives Carey McRae, Marty Chafin, Elissa Charbonneau, M.D., Pat Tuer, Anne Sedlack and me.

Encompass representatives and I look forward to working with you and your staff on this important project.

I will be in touch with Mr. Lawrence to confirm your receipt of this filing, and to discuss scheduling of the TAM on a date that works for all.

Sincerely,

A handwritten signature in black ink, appearing to read "John P. Doyle Jr.", with a stylized, cursive script.

John P. Doyle Jr.

JPD/nc

cc: Carey B. McRae, Esq.